

## Why Invest?

- **High exposure to “compounders”:** The United Global Quality Growth Fund (the “Fund”) invests in “compounders”, which are quality companies that generate sustainably high returns on capital with the ability to reinvest at similarly high returns to drive future growth. We believe quality companies are likely to outperform in a high-rate world.
- **Invest in quality companies that “beat the fade”:** Quality companies can generate high returns on capital over time and avoid the tendency for excess returns to be competed down to a just-adequate level. Hence, higher likelihood of outperformance.
- **Strategically diversified:** To ensure high quality, the Fund holds 40 to 50 names that are well-diversified across sectors. The size of any single holding ranges between 2 per cent to 5 per cent to minimise concentration risk. It is also well diversified with Information Technology, Financials and Industrials being the three largest allocations (as of October 2024).
- **Experienced investment capabilities:** Lazard’s team sub-managed the Fund, which is comprised of experienced professionals with over two decades of sector expertise, and focusing on high-quality companies with a sustainable competitive advantage.

## October 2024 Portfolio Performance

The United Global Quality Growth Fund - SGD Acc	+0.72 per cent <sup>1</sup>
Benchmark: MSCI All Country World Index	+0.87 per cent

Source: Morningstar, Performance from 30 September 2024 to 31 October 2024 in SGD terms

<sup>1</sup> Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

## Performance Review

**Contributors-** Stock selection in the Industrials sector contributed to performance. Shares of **Booz Allen Hamilton Holding Corporation** (Booz Allen Hamilton), a leading provider of high-end management and technology consulting services catering to the US government, reported strong earnings with better-than-expected revenues and profitability. We continue to like the company due to its high returns and asset-light business model, which has grown organic revenue above the industry’s average for several years.

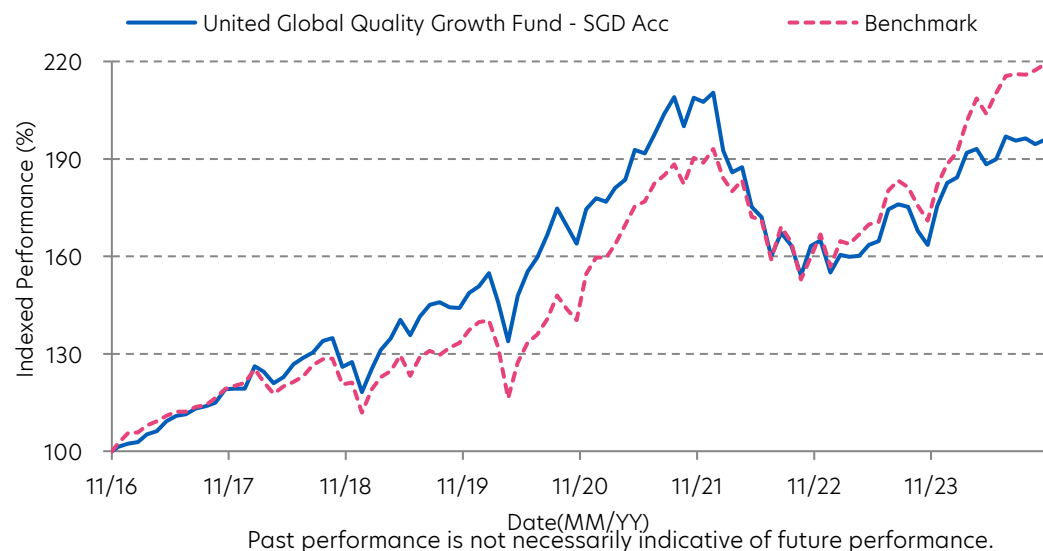
**Detractors-** In contrast, stock selection in the healthcare sector detracted from performance. **IQVIA Holdings Inc.** (IQVIA), a contract research organisation (CRO) that provides outsourced research support to the pharma, biotech, and medical device industries, fell amid a tougher industry environment and concerns over lower pharma spending. We continue to like IQVIA’s strong financial productivity, driven by solid revenue growth, consistent margin expansion, shrewd capital deployment, and a capital-light business model.

## Portfolio Positioning

We expect continued volatility as the US Federal Reserve (Fed) and other central banks seek to balance maintaining financial stability and controlling inflation. For a prolonged period, strength and narrowness have been themes within global markets, which have been headwinds to the Fund’s performance. However, recent indications of broadening market participation are encouraging. We remain focused on our philosophy of investing in quality companies (Compounders) that can sustain elevated levels of financial productivity. A broadening out of index participation will present a better environment for quality investing, and we believe that the empirical work done by co-lead portfolio manager/analyst Louis Florentin-Lee in Relative Value Investing and its update, Quality Investing, shows that our philosophy should deliver outperformance over time.

### Performance (Class SGD Acc)

#### Fund Performance Since Inception<sup>2</sup> in Base Currency



Fund performance is calculated on a NAV to NAV basis.

Benchmark: MSCI All Country World Index.

Source: Morningstar. Performance as at 31 October 2024, SGD basis, with dividends and distributions reinvested, if any.

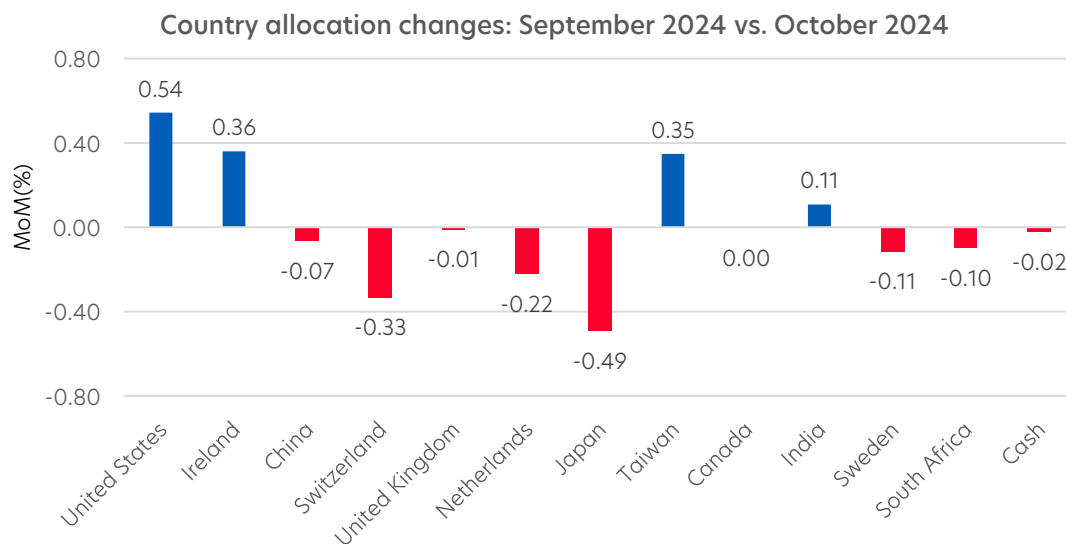
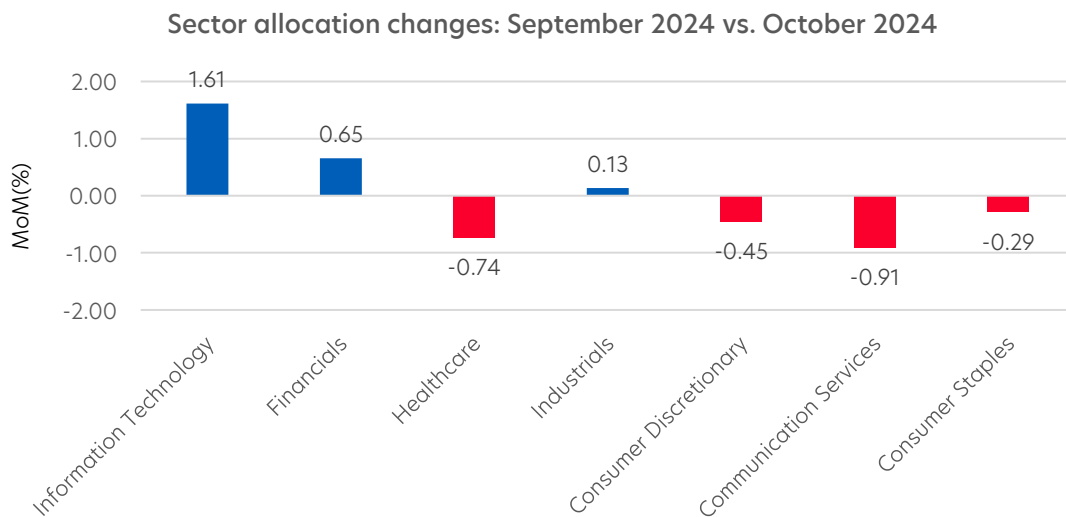
<sup>2</sup> The United Global Quality Growth Fund- SGD Acc (ISIN Code: SG9999014880) was incepted on 11 November 2016.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 October 2024 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.72	19.83	-2.10	6.34	8.81
Fund (Charges applied <sup>^</sup> )	-4.31	13.84	-3.76	5.25	8.11
Benchmark	0.87	28.22	4.84	10.45	10.35

Source: Morningstar. Performance as at 31 October 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: MSCI All Country World Index. Past performance is not necessarily indicative of future performance. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

### Portfolio Changes



### Portfolio Review

#### Analyst Insights

As shown on the left charts, the biggest increase in the sector allocation changes for October 2024 was in Information Technology (+1.61 per cent). On the contrary, the largest decrease was in Communication Services (-0.91 per cent). In terms of country allocation changes, the Fund had the highest increase in the United States (+0.54 per cent) and the most decline in Japan (-0.49 per cent) for October 2024.

## Market Review

Global equity markets fell in October 2024, snapping a five-month rally. With the trajectory of global disinflation well on track, the focus was on the interest rate policy paths from key central banks. All eyes were on the US, where the Fed cut interest rates by 50 basis points (bps) in September 2024. While better-than-expected data released during the month bolstered optimism that the US economy was headed for a soft landing, a lower expectation for the pace of rate cuts led to a sharp rise in US Treasury (UST) bond yields, which, in turn, put pressure on global stocks. Uncertainty about the US Presidential election also added volatility to the market.

Across the Atlantic, the European Central Bank (ECB) lowered interest rates for a third time in four months in October 2024. Data released during the month suggested that eurozone inflation accelerated more than expected in October 2024, bolstering the ECB's cautious approach to cutting rates. In the UK, annual inflation in September 2024 had fallen more than expected stoking optimism that the Bank of England (BOE) will cut interest rates in November 2024. However, the first budget released by the UK finance minister raised concerns that it would reignite inflationary pressure and force the BOE to cut rates more slowly.

Meanwhile, Japan's central bank held borrowing costs steady in October 2024 but signalled that a rate-hiking cycle was on the horizon despite recent political turmoil and as the Japanese yen weakened against the US dollar. China's central bank lowered its prime rates for one- and five-year loans in its latest effort to bolster the country's economy. Against this backdrop, equities in both developed and developing markets fell in October 2024, with the former outperforming the latter.

## Investment Objective

The investment objective of the United Global Quality Growth Fund is seeking to provide long-term total return by investing in equity and equity related securities of companies listed and traded on stock exchanges globally.

## Fund Information

Base Currency	Fund Size	Sub-Manager
SGD	SGD 940.74 mil	Lazard Asset Management

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